

SCHOOL DISTRICT
OF
MONMOUTH BEACH



MONMOUTH BEACH BOARD OF EDUCATION
MONMOUTH BEACH, NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

OF THE

**MONMOUTH BEACH
BOARD OF EDUCATION**

MONMOUTH BEACH, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY

**MONMOUTH BEACH BOARD OF EDUCATION
FINANCE DEPARTMENT**

MONMOUTH BEACH SCHOOL DISTRICT

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INTRODUCTORY SECTION



MONMOUTH BEACH SCHOOL

7 Hastings Place, Monmouth Beach, NJ 07750-1199 • Phone (732) 222-6139 • Fax (732) 222-2395

Yelena Horre, Superintendent/Principal

Amanda L. Mergner, Administrator of Academic Achievement/Supervisor of Special Services

Peter E. Genovese III, RSBO, QPA, School Business Administrator/Board Secretary

January 15, 2024

Honorable President and
Members of the Board of Education
Monmouth Beach School District
County of Monmouth, New Jersey

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Monmouth Beach School District (District) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The ACFR is presented in four sections as follows:

The Introductory Section includes the Letter of Transmittal, the District's Organizational Chart, and a list of Principal Officials.

The Financial Section includes the General Purpose Financial Statements and Schedules, the Independent Auditor's and the Management's Discussion and Analysis.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The Single Audit Section: The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations, Part 200 and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

Monmouth Beach School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District are included in this report. The Monmouth Beach Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-School through Eighth Grade. These services include regular education as well as special education for disabled youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 258 students. The following details the changes in the student enrollment within the district over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2022-23	258	.39%
2021-22	257	.39%
2020-21	256	10.34%
2019-20	232	-.85 %
2018-19	234	-4.49 %

ECONOMIC CONDITION AND OUTLOOK:

Monmouth Beach's improved financial picture and proactive planning have allowed the district to renovate facilities, increase staff development, review curriculum needs, upgrade instructional materials, and provide technological improvements. As a result, the District is better prepared to instruct and guide children on how to meet the challenges of their future. These financial adjustments along with the newly implemented strategic plan will be a guiding instrument over the next five (5) years of implementation.

MAJOR INITIATIVES:

Monmouth Beach School district is proud of the multiple initiatives supported through local funding established for the 2022-2023 fiscal year. To be specific, instructional materials, technology enhancements and professional development services and experiences, as well as additional staffing and facility improvements all comprised the bulk of the relative purchases. One major initiative of the fiscal year promoted the continued commitment to the literacy model, Readers and Writers Workshop, in grades K-8. The Units of Study, in both Reading and Writing, were enhanced with additions to classroom leveled libraries and novel studies. Attached to this initiative was robust professional development broadening understanding of the Science of Reading. Training was provided in the Orton Gillingham model to intentionally address learning needs of our students. The goal of implementing and expanding best educational practices in ELA will continue through fiscal year 2023-2024 and include sustained professional development in this area through increased focus on coaching and professional learning communities.

Also, on the instructional side in fiscal year 2022-2023, the LinkIt Assessment platform continued to be funded by the district; this digital tool has been enhanced to include more targeted monitoring of student progress. This platform doubles as a data warehouse as well as a standards-aligned benchmarking tool, providing teachers with access to rich information to support instructional decision-making, personalized learning, and progress monitoring. In the next few years, the district will continue to expand the staff's skill set related to these areas through the use of local funding. The Edmentum platform was also purchased through local funds in order to support the district's overarching goal of offering more rigorous math course offerings. Local funds also supported staffing of a period zero math class that allowed for targeted math enrichment to accelerate algebra instruction in 6th grade thus paving a pathway for 8th grade Geometry. An array of other digital tools designed to support instruction were also district funded, including EdPuzzle, Newsela, iXL, and Learning Ally, just to name a few.

Beyond staffing for the purpose of accelerating math instruction, staff positions were allocated to meet the varied and specific needs of students. The budget supported a full-time math interventionist, a full-time reading interventionist, the reestablishment of a full-time guidance counselor, along with complete staffing of special education teachers. These positions allowed the schedule to be revised to provide the best instructional experiences for all students along the PK-8 spectrum in the most developmentally appropriate manner. Future initiatives for the 2023-2024 school year will budget for the addition of a Curriculum Supervisor and a full time Learning Disabilities Teacher Consultant.

In the area of technology, the local funding supports a 1:1 initiative in which all students, PK-8, have access to their own devices. Each year the IT staff, in conjunction with the administrative team, assess replenishment needs. In fiscal year 2022-23, LocoDrones were purchased to support initiatives within the Innovation classes. Curriculum and programming from Project STEM was also purchased to promote students' coding knowledge at the middle school level. zSpace computers were purchased to enhance science instruction using virtual and augmented reality. Technology was further enhanced through the purchase of a Scapio augmented reality table for our youngest learners. The district has a shared services agreement with a local partner-district for IT services. This partnership has proven to be reciprocally beneficial to both districts and has enhanced the service level in the district significantly. Past local funding also supported the conversion of a large learning space into a state-of-the-art Innovation Lab. Included in this space is a full-scale E-Gaming area with 11 workstations and corresponding monitors for viewing. This has allowed the district to grow an E-Gaming club and competitive team as part of the learning experience. District funds continue to support staffing and resources for this club.

Professional development, as noted in the above initiatives, is directly related to forward progress in the district and growing teacher skill set with instructional models, tools, and programming. All staff, in the beginning of the year, complete their state mandated training through the Accutrain platform. These include topics such as HIB, suicide prevention, sexual harassment, and child abuse. Staff members also have a weekly professional learning period in which they work towards the goals outlined in their PDP (Professional Development Plan) for this year. Staff members also have early release days built into the calendar so that they can devote time to their own growth as educators. Staff members are also encouraged to attend experiences, both virtually and in-person, with outside providers that are directly linked to their teaching assignment and aligned with their PDP.

Local funds have also provided opportunity for extensive facilities improvement during this fiscal period. Notably, a new wood gymnasium floor was installed which not only upgraded the facility, but also rectified a minimal mercury finding in the previous flooring. Offices space and entry foyers were also upgraded to include new drywall and painting. Future district funds will be allotted to allow for painting of the exterior building, creating new office space and subdividing existing classrooms to provide for more small learning spaces.

INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at fiscal year end.

ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements,@ Note 1.

CASH MANAGEMENT:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statement,@ Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert Hulsart & Company, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, as amended and the related Title 2 U.S. "CFR", Part 200 and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combined and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

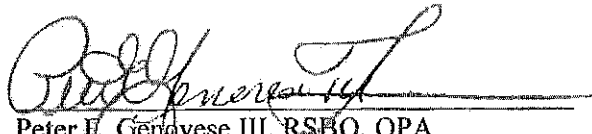
ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Monmouth Beach School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Yelena Horre
Superintendent of Schools



Peter L. Genovese III, RSEB, QPA
School Business Administrator/Board Secretary

**MONMOUTH BEACH BOARD OF EDUCATION
MONMOUTH BEACH, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Karen Dolan, President	2024
Vincent Sasso, Ph.D., Vice President	2024
Melanie Andrews	2024
Joe Vecchio	2025
Christopher Dudick	2025
Meghan Haynes	2025
Ken Marowitz	2023
Boyd Decker	2023
Aleksandra King	2023

Other Officials

Yelena Horre, Superintendent/Principal

Peter E. Genovese III, RSBO, QPA, School Business Administrator / Board Secretary

Lorraine Simon, Asst School Business Administrator / Board Secretary (January – June 2023)

Board Attorney - Sciarrillo, Cornell, Merlino, McKeever, & Osborne, LLC

**MONMOUTH BEACH BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

Robert A. Hulsart and Company
2807 Hurley Pond Road
Wall, New Jersey 07719

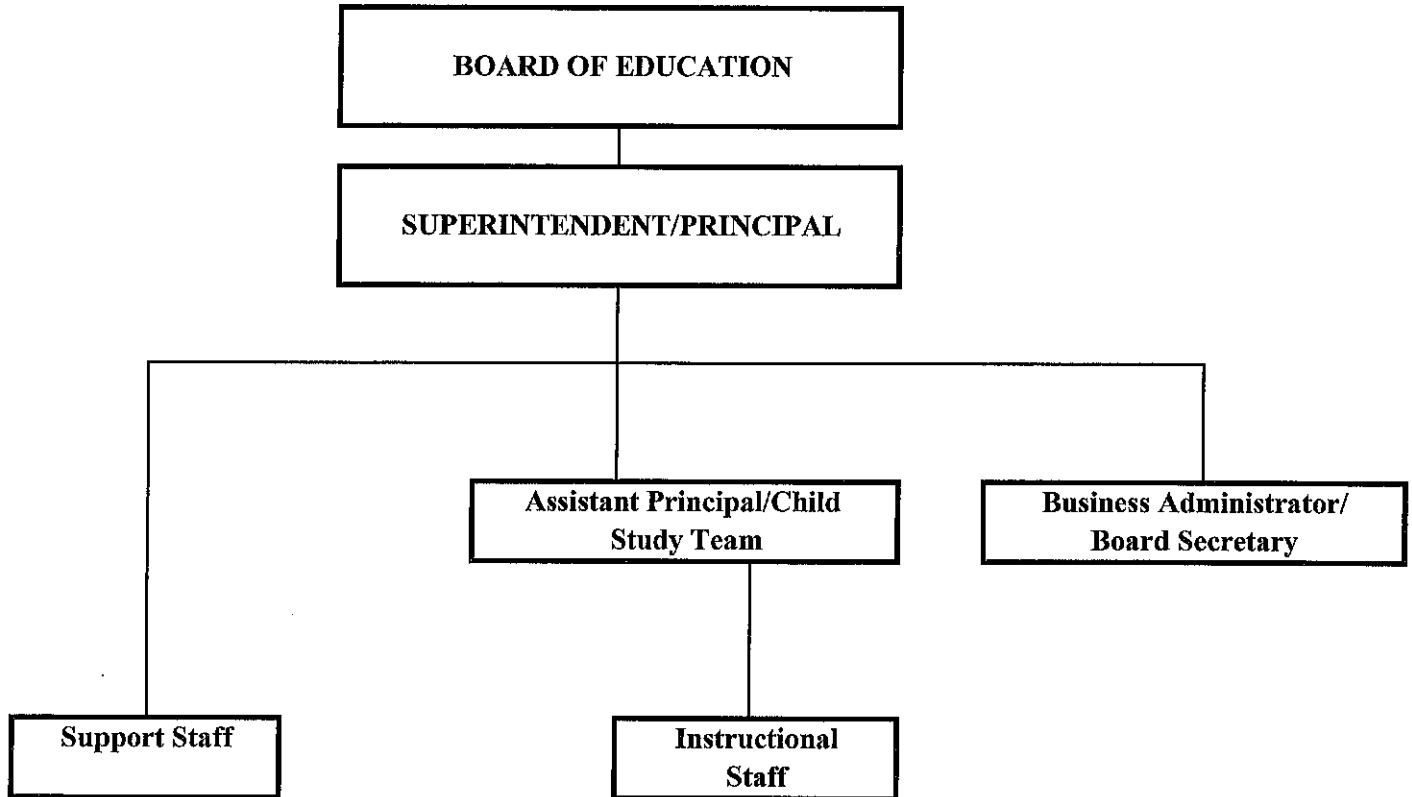
ATTORNEY

Anthony P. Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

OFFICIAL DEPOSITORIES

Citizens Bank
169 Broadway
Long Branch, New Jersey 07740

**MONMOUTH BEACH BOARD OF EDUCATION
ORGANIZATIONAL CHART
(UNIT CONTROL)**



FINANCIAL SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888

e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Monmouth Beach School District
County of Monmouth
Monmouth Beach, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monmouth Beach Board of Education, as of and for the year ended June 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monmouth Beach Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of the Monmouth Beach Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error; a fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Monmouth Beach Board of Education's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

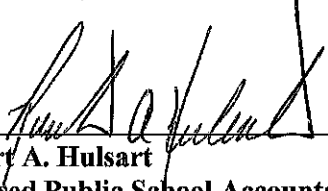
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists; we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 15, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** the District's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey

January 15, 2024

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF MONMOUTH BEACH
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

The discussion and analysis of Monmouth Beach School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2022-2023 fiscal year is as follows:

- Total net position of governmental activities decreased by \$109,029.
- The School District had \$7,702,362 in expenses; only \$260,012 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,333,321 were adequate to provide for these programs.
- The General Fund had \$7,018,733 in revenues and \$7,212,978 in expenditures. The General Fund's balance decreased \$194,214 from 2022.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Monmouth Beach School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Monmouth Beach School District, the General Fund is the most significant fund, with the Special Revenue Fund and Capital Project's Fund also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during the 2022-2023 fiscal year?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in activities. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental activities** – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds begins on exhibit A-1. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District’s activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal years ended 2023 and 2022.

	Table 1	
	Net Position	
	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current and Other Assets	\$ 1,920,646	2,296,345
Capital Assets, Net	<u>3,606,163</u>	<u>3,825,835</u>
Total Assets	<u>\$ 5,526,809</u>	<u>6,122,180</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 87,114</u>	<u>83,241</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 189,884</u>	<u>322,688</u>
<u>Liabilities</u>		
Long-Term Liabilities	\$ 1,074,103	1,248,324
Other Liabilities	<u>458,210</u>	<u>633,623</u>
Total Liabilities	<u>\$ 1,532,313</u>	<u>1,881,947</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 2,981,163	3,000,835
Restricted	1,442,882	1,621,324
Unrestricted	<u>(532,319)</u>	<u>(621,373)</u>
Total Net Position	<u>\$ 3,891,726</u>	<u>4,000,786</u>

Table 2 shows the changes in activities for fiscal years ended 2023 and 2022.

Table 2
Changes in Activities

	<u>2023</u>	<u>2022</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$	
Operating Grants and Contributions	260,012	311,511
General Revenues		
Property Taxes	5,374,596	5,138,107
Grants and Entitlements	1,514,849	1,414,040
Other	<u>443,845</u>	<u>338,168</u>
Total Revenues	<u>7,593,302</u>	<u>7,201,826</u>
<u>Program Expenses</u>		
Instruction	3,125,159	3,071,275
Support Services		
Pupils and Instructional Staff	851,526	530,713
General Administration, School Administration,		
Business	3,142,687	2,827,163
Operations and Maintenance of Facilities	537,153	840,755
Pupil Transportation	16,170	8,752
Interest on Debt	29,667	37,433
Enterprise		<u>5,586</u>
Total Expenses	<u>7,702,362</u>	<u>7,321,677</u>
Increase in Net Position	<u>\$ (109,060)</u>	<u>(119,851)</u>

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

School Board Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allow the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Monmouth Beach's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2023, it reported a combined net position balance of \$3,891,726. The Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net position.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

School Board Funds (Continued)

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the ACFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

Capital Assets

At June 30, 2023, the School Board had approximately \$7,088,145 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2023 fiscal year.

	Governmental Activities
Table II	
Capital Assets at June 30, 2023	
Land	\$ 47,821
Buildings & Sites	3,405,339
Machinery and Equipment	<u>153,003</u>
Total	<u>\$ 3,606,163</u>

Debt Administration

At June 30, 2023 the School District had \$1,274,103 as outstanding debt. Of this amount \$124,204 is for compensated absences, \$524,899 is for pension liability, and the balance \$625,000 for bonds for school construction.

Economic Factors and Next Year's Budget

The Monmouth Beach School District is in very good financial condition presently. Future finances are not without challenges as state funding is decreased.

The Borough of Monmouth Beach is primarily a residential community, with very few ratables. The majority of revenues needed to operate the District are derived from homeowners through property tax assessments and collections.

The \$(532,319) is unrestricted net position for all governmental activities represent the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$(532,319).

Economic Factors and Next Year's Budget (Continued)

At this time, the most important factor affecting the budget is the unsettled situation with State Aid. While State aid may be frozen, the District may experience growth in student population. The tax levy will be the area that will need to absorb any increase in budget obligations.

In conclusion, the Monmouth Beach School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information please contact Lorraine Simon, School Business Administrator/Board Secretary at Monmouth Beach Board of Education, 9 Hastings Place, Monmouth Beach, NJ 07739.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

MONMOUTH BEACH SCHOOL DISTRICT**STATEMENT OF NET POSITION**

Exhibit A-1

JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Total</u>
<u>Assets</u>		
Restricted Assets:		
Cash and Cash Equivalents	\$ 1,692,375	1,692,375
Receivables, Net	228,271	228,271
Capital Assets, Not Being Depreciated	47,821	47,821
Capital Assets, Net	<u>3,558,342</u>	<u>3,558,342</u>
Total Assets	<u>\$ 5,526,809</u>	<u>5,526,809</u>
<u>Deferred Outflow of Resources</u>		
Contribution to Pension Plan	<u>\$ 87,114</u>	<u>87,114</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 189,884</u>	<u>189,884</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Interest	\$ 67,351	67,351
Payroll Deductions and Withholdings	179,912	179,912
Deferred Revenue	10,947	10,947
Noncurrent Liabilities:		
Due Within One Year	200,000	200,000
Due Beyond One Year	<u>1,074,103</u>	<u>1,074,103</u>
Total Liabilities	<u>\$ 1,532,313</u>	<u>1,532,313</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	\$ 2,981,163	2,981,163
Restricted For:		
Other Purposes	1,442,882	1,442,882
Unrestricted	<u>(532,319)</u>	<u>(532,319)</u>
Total Net Position	<u>\$ 3,891,726</u>	<u>3,891,726</u>

The accompanying notes to financial statements are an integral part of this statement.

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$ 2,937,629			(2,937,629)		(2,937,629)
Special Education	102,022		102,022	-		-
Other Instruction	85,508			(85,508)		(85,508)
Support Services:						
Student & Instruction Related Services	851,526		157,990	(693,536)		(693,536)
School Administrative Services	441,617			(441,617)		(441,617)
Other Administrative Services	138,178			(138,178)		(138,178)
Plant Operations and Maintenance	537,153			(537,153)		(537,153)
Pupil Transportation	16,170			(16,170)		(16,170)
Unallocated Benefits	2,155,274			(2,155,274)		(2,155,274)
Interest on Long-Term Debt	29,667			(29,667)		(29,667)
Capital Outlay	187,946			(187,946)		(187,946)
Unallocated Depreciation	219,672			(219,672)		(219,672)
Total Government Activities	<u>7,702,362</u>	<u>-</u>	<u>260,012</u>	<u>(7,442,350)</u>	<u>-</u>	<u>(7,442,350)</u>
Business-Type Activities:						
Food Service						-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>7,702,362</u>	<u>-</u>	<u>260,012</u>	<u>(7,442,350)</u>	<u>-</u>	<u>(7,442,350)</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit A-2
Sheet 2 of 2**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purpose, Net				\$ 5,141,596		5,141,596
Property Taxes, Levied for Debt Service, Federal and State Aid Not Restricted				233,000		233,000
Transfers				1,514,849		1,514,849
Miscellaneous				31	(31)	-
Total General Revenues, Special Items and Transfers				<u>7,333,321</u>	<u>(31)</u>	<u>7,333,290</u>
Change in Net Position				(109,029)	(31)	(109,060)
Net Position - Beginning				<u>4,000,755</u>	<u>31</u>	<u>4,000,786</u>
Net Position - Ending				<u>\$ 3,891,726</u>	<u>-</u>	<u>3,891,726</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS – B

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents - Restricted	\$ 1,728,578	(36,203)	1,692,375
Receivables from Other Governments	109,583	118,688	228,271
Total Assets	\$ 1,838,161	82,485	1,920,646
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts Payable	\$ 600	56,334	56,934
Deferred Revenue		10,947	10,947
Payroll Deductions and Withholdings	179,912		179,912
Total Liabilities	\$ 180,512	67,281	247,793
Fund Balance:			
Restricted for:			
Designated for Subsequent Years Expenditures	\$ 279,095		279,095
Designated for Subsequent Years Expenditures - Maintenance Reserve	112,000		112,000
Designated for Subsequent Years Expenditures - Excess Surplus Maintenance Reserve	168,610		168,610
Capital Reserve Account	246,970		246,970
Emergency Reserve	481,874		481,874
Student Accounts	10,314		10,314
Excess Surplus	2,836	15,204	15,204
Committed To:			
Other Purposes	117,898		117,898
Unemployment Compensation	8,081		8,081
Unassigned:			
General Fund	229,971		229,971
Total Fund Balances	1,657,649	15,204	1,672,853
Total Liabilities and Fund Balance	\$ 1,838,161	82,485	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,978,582 and the accumulated depreciation is \$5,372,419.	3,606,163
Deferred outflow of resources - contributions to pension plan	87,114
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(189,884)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,274,103)
Accrued Interest	(10,417)
Net position of governmental activities	\$ 3,891,726

The accompanying Notes to Financial Statements are an integral part of this statement.

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit B-2
Sheet 1 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 5,141,596		233,000	5,374,596
Miscellaneous	362,288	81,557		443,845
Total Local Sources	5,503,884	81,557	233,000	5,818,441
State Sources	1,514,849			1,514,849
Federal Sources		260,012		260,012
Total Revenues	<u>7,018,733</u>	<u>341,569</u>	<u>233,000</u>	<u>7,593,302</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	2,937,629			2,937,629
Special Education Instruction		102,022		102,022
Other Instruction	85,508			85,508
Support Services and Undistributed Costs:				
Student and Instruction Related Services	652,383	199,143		851,526
School Administrative Services	441,617			441,617
Other Administrative Services	138,178			138,178
Plant Operations and Maintenance	537,153			537,153
Pupil Transportation	16,170			16,170
Unallocated Benefits	2,266,172			2,266,172
Debt Service:				
Principal			200,000	200,000
Interest and Other Charges			33,000	33,000
Capital Outlay	138,168	49,778		187,946
Total Expenditures	<u>7,212,978</u>	<u>350,943</u>	<u>233,000</u>	<u>7,796,921</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit B-2
Sheet 2 of 2**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Other Financing Sources/(Uses):				
Transfer from Food Service Fund	<u>31</u>	<u></u>	<u></u>	<u>31</u>
Net Change in Fund Balances	(194,214)	(9,374)	-	(203,588)
Fund Balance - July 1	<u>1,851,863</u>	<u>24,578</u>	<u>-</u>	<u>1,876,441</u>
Fund Balance - June 30	<u>\$ 1,657,649</u>	<u>15,204</u>	<u>-</u>	<u>1,672,853</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MONMOUTH BEACH SCHOOL DISTRICTRECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (203,588)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(219,672)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	
	200,000
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position	
	3,873
Pension related deferrals	
	132,804
Net pension liability is reported on the statement of net position	
	(32,028)
Compensated Absences	
	6,249
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.	
	<u>3,333</u>
Change in Net Position of Governmental Activities	<u>\$ (109,029)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

MONMOUTH BEACH SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET POSITIONPROPRIETARY FUNDSJUNE 30, 2023

	<u>Business-type Activities Enterprise Fund</u>
Other Financing Sources/(Uses):	
Transfer to General Fund	\$ (31)
Net Position, July 1	<u>31</u>
Net Position, June 30	<u><u>\$ -</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
MONMOUTH BEACH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Monmouth Beach School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Monmouth Beach School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The Monmouth Beach School District had an approximate enrollment at June 30, 2023 of 257 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds the corporate powers of the organization
- The District appoints a voting majority of the organization's board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial/benefit/burden on the District
- There is a fiscal dependency by the organization on the District

B. Government-Wide Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

E. Basis of Accounting:

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2023 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

G. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company to provide a report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2022-2023 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2023, fiscal year 2023 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

Capital asset activity for the year ended June 30, 2023 was as follows:

NOTE 1: Summary of Significant Accounting Policies (Continued)J. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:				
Capital Assets that are				
Not Being Depreciated:				
Land	\$ 47,821	_____	_____	47,821
Total Capital Assets Not	<u>47,821</u>	_____	_____	<u>47,821</u>
Being Depreciated				
Depreciable Assets:				
Buildings & Site Improvements	8,141,817			8,141,817
Machinery & Equipment	<u>788,944</u>	_____	_____	<u>788,944</u>
Totals at Historical Cost	<u>8,930,761</u>	_____	_____	<u>8,930,761</u>
Less: Accumulated				
Depreciation for:				
Buildings & Site Improvements	(4,558,593)	(177,885)		(4,736,478)
Machinery & Equipment	<u>(594,154)</u>	<u>(41,787)</u>	_____	<u>(635,941)</u>
Total Accumulated Depreciation	<u>(5,152,747)</u>	<u>(219,672)</u>	_____	<u>(5,372,419)</u>
Net Depreciable Assets	<u>3,778,014</u>	<u>(219,672)</u>	_____	<u>3,558,342</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 3,825,835</u>	<u>(219,672)</u>	_____	<u>3,606,163</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 219,672</u>
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NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

L. Deferred Revenue

Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

M. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

N. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Grants, entitlements, or shared revenues which are restricted for the acquisition or construction of capital assets are also recorded as contributed capital. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

O. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

P. Tuition Payable

Tuition charges for the fiscal year 2022-2023 was based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Q. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

NOTE 2: Cash and Cash Equivalents and Investments

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

FDIC	\$ 250,000
GUPDA	<u>1,767,348</u>
	<u>\$ 2,017,348</u>

As of June 30, 2023, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash
	<u>Equivalents</u>
Interest Bearing Checking Accounts	<u>\$ 1,693,680</u>

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2023 was \$1,693,680 and the bank balance was \$2,017,348. Of the bank balance \$250,000 was covered by federal depository insurance and \$1,767,348 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**New Jersey Cash Management Fund**

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Compensated Absences Payable	\$ 130,652		(6,249)	124,204		124,204
Bonds Payable	825,000		(200,000)	625,000	200,000	425,000
Net Pension	<u>492,871</u>	<u>32,028</u>	<u>_____</u>	<u>524,899</u>	<u>_____</u>	<u>524,899</u>
	<u>\$ 1,448,324</u>	<u>32,028</u>	<u>(206,249)</u>	<u>1,274,103</u>	<u>200,000</u>	<u>1,074,103</u>

A. Bonds Payable

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 200,000	25,000	225,000
2025	210,000	17,000	227,000
2026	<u>215,000</u>	<u>8,600</u>	<u>223,600</u>
	<u>\$ 625,000</u>	<u>50,600</u>	<u>675,600</u>

Refinancing bonds issued 3/25/10 for \$2,580,000 at interest from 2.00% to 5.00% maturing 2/21/26 with a balance of \$625,000 at June 30, 2023.

B. Bonds Authorized But Not Issued

As of June 30, 2023, the Board had no authorized but not issued bonds.

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employee's Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/23	\$ 45,119	100%	0
6/30/22	50,032	100%	0
6/30/21	46,032	100%	0

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/23	\$ 1,075,476	100%	0
6/30/22	980,864	100%	0
6/30/21	805,268	100%	0

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,075,476 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$226,782 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans (Continued)**Public Employees' Retirement System (PERS)****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:15A, PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

NOTE 4: Pension Plans (Continued)

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a County that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2022 State special funding situation net pension liability amount of \$127.8 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$50.2 million, for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

NOTE 4: Pension Plans (Continued)

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

For the year ended June 30, 2023, the District recognized pension expense of \$45,119. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 3,788	3,341
Changes of Assumptions	1,626	78,598
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,725	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	14,856	107,945
District Contributions Subsequent to the Measurement Date	<u>45,119</u>	<u> </u>
Total	<u>\$ 87,114</u>	<u>189,884</u>

NOTE 4: Pension Plans (Continued)

\$45,119 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending**June 30,**

2023	\$ (44,647)
2024	(22,746)
2025	(11,093)
2026	24,200
2027	<u>(53)</u>
	<u>\$ (54,339)</u>

Additional Information

Collective balances at December 31, 2022 and 2021 are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Collective Deferred Outflows of Resources	\$ 87,114	83,241
Collective Deferred Inflows of Resources	189,884	322,688
Collective Net Pension Liability	524,899	492,871
District's Proportion	0.00345%	0.00412%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2022 were as follows:

	<u>2022</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 29,144,869,310	41,029,268,965	70,174,138,275
Plan Fiduciary Net Position	<u>6,758,038,264</u>	<u>25,810,084,045</u>	<u>32,568,122,309</u>
Net Pension Liability	<u>\$ 22,386,831,046</u>	<u>15,219,184,920</u>	<u>37,606,015,966</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	23.19%	62.91%	46.41%

NOTE 4: Pension Plans (Continued)

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55%
	Based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Medial Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021,

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 674,341</u>	<u>524,899</u>	<u>397,717</u>

NOTE 4: Pension Plans (Continued)**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation

The Schedule of employers and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

NOTE 4: Pension Plans (Continued)**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

NOTE 4: Pension Plans (Continued)**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 76,317,117,835	74,699,133,697
Plan Fiduciary Net Position	<u>24,640,530,532</u>	<u>26,533,142,515</u>
Net Pension Liability	<u>\$ 51,676,587,303</u>	<u>48,165,991,182</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	35.52%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2022</u>	<u>2021</u>
District's Liability	<u>\$ 9,821,797</u>	<u>9,944,786</u>
District's Proportion	.01901%	.02065%

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense (benefit) as follows:

Year Ending June 30:	
2023	\$ (505,344)
2024	(726,755)
2025	(636,920)
2026	(286,876)
2027	(313,172)
Thereafter	<u>(320,773)</u>
Total	<u>\$ (2,789,840)</u>

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 5.65%
	Based on years of service
Investment Rate of Return	7.00%

NOTE 4: Pension Plans (Continued)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2022</u>		
	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the District's Net Pension Liability	<u>11,516,266</u>	<u>9,821,797</u>	<u>8,394,420</u>
	<u>\$ 11,516,266</u>	<u>9,821,797</u>	<u>8,394,420</u>

NOTE 5: Post-Retirement Benefits**General Information about the OPEB Plan****Plan description and benefits provided**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pension*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

NOTE 5: Post-Retirement Benefits (Continued)

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 20, 2021, with was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Total OPEB Liability \$50,646,462,966

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75% – 4.25% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

NOTE 5: Post-Retirement Benefits (Continued)***(a) Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the total OPEB Liability reported by the State of New Jersey:

	Total <u>OPEB Liability</u>
Balances at June 30, 2021	\$ 60,007,650,970
Changes for the Year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Change of Benefit Terms	
Difference Between Expected and Actual Experience	1,399,200,736
Changes in Assumptions or Other Inputs	(13,586,368,097)
Member Contributions	42,650,252
Benefit Payments	<u>(1,329,476,059)</u>
Balance at June 30, 2022	<u>\$ 50,646,462,966</u>

There were no changes in benefit terms between the June 30, 2021 measurement date and the June 30, 2022 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% percent in 2021 to 3.54% percent in 2022.

NOTE 5: Post-Retirement Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.54%)</u>	Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 59,529,589,697</u>	<u>50,646,462,966</u>	<u>43,527,080,995</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 41,862,397,291</u>	<u>50,646,462,966</u>	<u>62,184,866,635</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2022, the Board of Education recognized OPEB expense of \$263,882 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Board of Education's proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,042,402,619	(15,462,950,679)
Changes in Proportion	<u>8,765,620,577</u>	<u>(17,237,289,230)</u>
Total	<u>\$ 17,808,023,196</u>	<u>(32,700,239,909)</u>

NOTE 5: Post-Retirement Benefits (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

NOTE 6: Contingent Liabilities

It is the opinion of the school board officials that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 7: Equity Balance

At June 30, 2023, the General Fund equity balance was as follows:

Restricted For:	
Capital Reserve	\$ 481,874
Emergency Reserve	10,314
Maintenance Reserve	246,970
Designated for Subsequent Year's Expenditures	279,095
Designated for Subsequent Year's Expenditures – Withdrawal from Maintenance Reserve	112,000
Designated for Subsequent Year's Expenditures – Excess Surplus	168,610
Excess Surplus	2,836
Unemployment Compensation	8,081
Assigned to –Year-End Encumbrances	117,898
Unassigned – General Fund	<u>250,000</u>
	<u>\$ 1,677,678</u>

Reserved for encumbrances represents outstanding purchase orders which will be rolled into the 2023-2024 budget and expended therefrom.

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget.

NOTE 7: Equity Balance (Continued)**2% Calculation of Excess Surplus**

2022-23 Total General Fund Expenditures Per the ACFR	\$ 7,212,978
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,302,258)</u>
Adjusted 2022-23 General Fund Expenditures	<u>\$ 5,910,720</u>
2% of Adjusted 2022-23 General Fund Expenditures	<u>\$ 118,214</u>
Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by: Allowable Adjustment	_____
Maximum Unassigned Fund Balance	<u>\$ 250,000</u>

Section 2

Total General Fund – Fund Balance @ 6-30-23	\$ 1,677,678
---------------------------------------------	--------------

Decreased by:	
Reserve for Encumbrances	(117,898)
Other Restricted Balances	(747,239)
Designated for Subsequent Year's Expenditures:	
Excess Surplus	(168,610)
Maintenance Reserve	(112,000)
Unreserved	<u>(279,095)</u>
Total Unassigned Fund Balance	<u>\$ 252,836</u>
Excess Surplus – Reserved Fund Balance	<u>\$ 2,836</u>

Section 3

Reserved Fund Balance – Excess Surplus –	
Designated for Subsequent Years Expenditures	\$ 168,610
Excess Surplus	<u>2,836</u>
	<u>\$ 171,446</u>

Detail of Allowable Adjustments

Non-Public Transportation	<u>\$ 0</u>
---------------------------	-------------

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 246,970
Emergency Reserve	10,314
Capital Reserve	481,874
Unemployment Compensation	<u>8,081</u>
Total Other Restricted/Reserved Fund Balance	<u>\$ 747,239</u>

NOTE 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ 14			10,364
2021-2022	11			10,375
2022-2023	2,146		4,440	8,081

NOTE 9: Capital Reserve Account

A Capital Reserve account was established by the Borough of Monmouth Beach Board of Education by inclusion of \$1,000 on September 1, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Fund placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-5.1(d) 7*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Balance July 1, 2022	\$ 597,259
Add: Interest Earned	5,615
Less: Used in 2022-2023 Budget	<u>(121,000)</u>
Balance June 30, 2023	<u>\$ 481,874</u>

NOTE 10: Fair Values of Financial Instruments

The following methods and assumptions were used by the Monmouth Beach Board of Education in estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$1,677,678 General Fund fund balance at June 30, 2023, \$117,898 is year-end encumbrances; \$481,874 has been reserved in the Capital Reserve Account; \$10,314 has been reserved as Emergency Reserve, \$246,970 has been reserved in the Maintenance Reserve Account; \$559,705 has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$250,000 is unreserved and undesignated; \$8,081 is reserved for unemployment claims; and \$2,836 is excess surplus.

NOTE 12: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District’s programs and activities.

NOTE 13: Interfunds

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 36,203	
Special Revenue Fund	<u> </u>	<u>36,203</u>
	<u>\$ 36,203</u>	<u>36,203</u>

All interfunds are expected to be liquidated in 2023-2024.

NOTE 14: Subsequent Events

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued. No additional subsequent event disclosure are required.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 5,141,596		5,141,596	5,141,596	-
Tuition - Individuals	224,269		224,269	334,880	110,611
Interest Earned on Maintenance Reserve Funds	175		175	3,434	3,259
Interest Earned on Capital Reserve Funds	300		300	5,615	5,315
Interest Earned on Emergency Reserve Funds	5		5	99	94
Miscellaneous	3,000		3,000	16,114	13,114
Other Restricted Miscellaneous Reserves			-	2,146	2,146
Total Local Sources	<u>5,369,345</u>	<u>-</u>	<u>5,369,345</u>	<u>5,503,884</u>	<u>134,539</u>
State Sources:					
Special Education Aid	171,955		171,955	171,955	-
Security Aid	10,874		10,874	10,874	-
Transportation Aid	30,330		30,330	30,330	-
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	851,397	851,397
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	223,660	223,660
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	419	419
TPAF Social Security Contribution (Reimbursed)			-	226,782	226,782
Total State Sources	<u>213,159</u>	<u>-</u>	<u>213,159</u>	<u>1,515,417</u>	<u>1,302,258</u>
Total Revenues	<u>5,582,504</u>	<u>-</u>	<u>5,582,504</u>	<u>7,019,301</u>	<u>1,436,797</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Distributed Expenditures:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	187,295	(2,970)	184,325	184,325	-
Kindergarten - Salaries of Teachers	101,598		101,598	100,866	732
Grades 1-5 - Salaries of Teachers	1,663,498	(5,106)	1,658,392	1,658,392	-
Grades 6-8 - Salaries of Teachers	748,730	15,608	764,338	764,296	42
Subtotal	<u>2,701,121</u>	<u>7,532</u>	<u>2,708,653</u>	<u>2,707,879</u>	<u>774</u>
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	7,774	9,774	9,774	-
Subtotal	<u>2,000</u>	<u>7,774</u>	<u>9,774</u>	<u>9,774</u>	<u>-</u>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	117,369	(58,670)	58,699	45,122	13,577
Purchased Prof. Ed. Services	40,000	(14,000)	26,000	25,978	22
Purchased Technical Services	11,700	(1,900)	9,800	8,830	970
Other Purchased Services	18,200	18,500	36,700	35,604	1,096
General Supplies	109,500	(12,000)	97,500	95,404	2,096
Textbooks	4,500	(4,500)	-		-
Other Objects	25,000	(12,850)	12,150	9,038	3,112
Subtotal	<u>326,269</u>	<u>(85,420)</u>	<u>240,849</u>	<u>219,976</u>	<u>20,873</u>
Total Regular Programs - Instruction	<u>3,029,390</u>	<u>(70,114)</u>	<u>2,959,276</u>	<u>2,937,629</u>	<u>21,647</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Resource Room/Center:					
Purchased Professional Education Services	500	(500)	-		-
General Supplies	500		500		500
Total Resource Room/Center	<u>1,000</u>	<u>(500)</u>	<u>500</u>	<u>-</u>	<u>500</u>
 Total Special Education - Instruction	 <u>1,000</u>	 <u>(500)</u>	 <u>500</u>	 <u>-</u>	 <u>500</u>
 Summer School - Instruction					
Salaries of Teachers	4,000	27,275	31,275	31,272	3
General Supplies	200		200		200
Total Summer School - Instruction	<u>4,200</u>	<u>27,275</u>	<u>31,475</u>	<u>31,272</u>	<u>203</u>
 School Sponsored Co-Curricular Activities - Instruction:					
Salaries	14,841	7,337	22,178	22,178	-
Other Objects	1,000	(900)	100		100
Total School Sponsored Co-Curricular	<u>15,841</u>	<u>6,437</u>	<u>22,278</u>	<u>22,178</u>	<u>100</u>
 School Sponsored Athletics - Instruction:					
Salaries	40,750	(12,193)	28,557	28,557	-
Purchased Services	2,000	(1,500)	500		500
Supplies and Materials	5,000	(2,000)	3,000	2,834	166
Other Objects	2,000		2,000	667	1,333
Total School Sponsored Athletics - Instruction	<u>49,750</u>	<u>(15,693)</u>	<u>34,057</u>	<u>32,058</u>	<u>1,999</u>
 Total Distributed Expenditures	 <u>3,100,181</u>	 <u>(52,595)</u>	 <u>3,047,586</u>	 <u>3,023,137</u>	 <u>24,449</u>

MONMOUTH BEACH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for Disabled Within State	74,176	(74,176)	-	-	-
Total Instruction	<u>74,176</u>	<u>(74,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Attendance and Social Work:					
Salaries	1,000	(1,000)	-	-	-
Purchased Professional and Technical Services	15,000	(5,000)	10,000	9,008	992
Total Attendance and Social Work	<u>16,000</u>	<u>(6,000)</u>	<u>10,000</u>	<u>9,008</u>	<u>992</u>
Health Services:					
Salaries	65,000	28,542	93,542	93,541	1
Purchased Professional & Technical Services	3,200	3,000	6,200	3,400	2,800
Supplies and Materials	9,750	(2,000)	7,750	5,779	1,971
Other Objects	500		500	405	95
Total Health Services	<u>78,450</u>	<u>29,542</u>	<u>107,992</u>	<u>103,125</u>	<u>4,867</u>
Other Support Services Students - Related:					
Salaries	69,275	(68,735)	540	540	-
Purchased Professional/Technical Services	7,000	(6,900)	100		100
Supplies and Materials	500	(400)	100		100
Total Other Support Services Students - Related	<u>76,775</u>	<u>(76,035)</u>	<u>740</u>	<u>540</u>	<u>200</u>
Other Support Services-Guidance					
Salary	60,715	95	60,810	60,810	-
Total Other Support-Guidance	<u>60,715</u>	<u>95</u>	<u>60,810</u>	<u>60,810</u>	<u>-</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services Students - Child Study Teams					
Salaries of Other Professional Staff	129,960	57,132	187,092	187,091	1
Salaries of Secretarial & Clerical	58,245	5,032	63,277	63,277	-
Purchased Professional/Educational Services	71,000	(27,226)	43,774	30,163	13,611
Other Purchased Services	5,400	3,000	8,400	7,795	605
Supplies and Materials	2,000		2,000	1,296	704
Other Objects	500		500		500
Total Other Support Services Students - Child Study Teams	<u>267,105</u>	<u>37,938</u>	<u>305,043</u>	<u>289,622</u>	<u>15,421</u>
Improvement Instructional Services:					
Salaries of Supervisors	105,580	49,690	155,270	155,269	1
Salaries of Other Professional Staff	5,000	4,080	9,080	8,820	260
Salaries of Secretarial & Clerical	30,564	(30,564)	-		-
Purchased Professional Educational Services	21,000	(3,693)	17,307	17,240	67
Supplies and Materials	100		100		100
Other Objects	100		100		100
Total Improvement Instructional Services	<u>162,344</u>	<u>19,513</u>	<u>181,857</u>	<u>181,329</u>	<u>528</u>
Educational Media/Library:					
Supplies & Materials	100		100		100
Total Educational Media/Library	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Staff Training:					
Other Purchased Services	31,489	(22,494)	8,995	7,481	1,514
Supplies and Materials	500		500		500
Other Objects	500		500	468	32
Total Staff Training	<u>32,489</u>	<u>(22,494)</u>	<u>9,995</u>	<u>7,949</u>	<u>2,046</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-1
Sheet 6 of 11**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services - General Administration:					
Salaries	116,261	(4,062)	112,199	112,199	-
Legal Services	20,700	(9,131)	11,569	11,569	-
Audit Fees	8,500	(1,000)	7,500	7,500	-
Other Purchased Professional Services	188,109	10,336	198,445	194,060	4,385
Purchased Technical Services	500	(500)	-	-	-
Communications/Telephone	38,500	(2,506)	35,994	35,994	-
BOE - Other Purchased Services	2,300	(2,300)	-	-	-
Other Purchased Services	11,000	(2,083)	8,917	8,917	-
General Supplies	11,000	(2,709)	8,291	7,871	420
Miscellaneous Expenditures	7,500	18,506	26,006	26,006	-
BOE-In House Training-Supplies	400	(400)	-	-	-
BOE Membership Dues and Fees	4,000	(346)	3,654	3,654	-
Total Support Services - General Administration	<u>408,770</u>	<u>3,805</u>	<u>412,575</u>	<u>407,770</u>	<u>4,805</u>
Support Services - School Administration:					
Salaries of Principals/Vice Principals	35,000	(2,791)	32,209	32,208	1
Miscellaneous Purchased Services	100	(90)	10	-	10
Supplies & Materials	2,000	-	2,000	1,639	361
Total Support Services - School Administration	<u>37,100</u>	<u>(2,881)</u>	<u>34,219</u>	<u>33,847</u>	<u>372</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Central Services:					
Salaries		32,500	32,500	32,500	-
Purchased Professional Services	500		500		500
Purchased Technical Services	47,802	(3,000)	44,802	44,561	241
Miscellaneous Purchased Services	1,500	(1,000)	500		500
Supplies and Materials	5,500	(1,686)	3,814	3,199	615
Miscellaneous Expenditures	1,000	1,063	2,063	2,017	46
Total Central Services	<u>56,302</u>	<u>27,877</u>	<u>84,179</u>	<u>82,277</u>	<u>1,902</u>
Admin. Information Technology:					
Purchased Technical Services	9,000	10,300	19,300	17,929	1,371
Supplies and Materials	45,000	(2,000)	43,000	37,972	5,028
Other Objects	1,000	(500)	500		500
Total Admin. Information Technology	<u>55,000</u>	<u>7,800</u>	<u>62,800</u>	<u>55,901</u>	<u>6,899</u>
Required Maintenance for School Facilities:					
Cleaning Repair & Maintenance	19,000	57,915	76,915	72,652	4,263
Other Objects	100		100		100
Total Required Maintenance for School Facilities	<u>19,100</u>	<u>57,915</u>	<u>77,015</u>	<u>72,652</u>	<u>4,363</u>
Other Operations & Maintenance:					
Salaries	109,756	13,805	123,561	123,561	-
Purchased Professional & Tech. Services	2,500		2,500	1,837	663
Cleaning, Repair & Maintenance Services	60,060	11,035	71,095	62,131	8,964
Other Purchased Property Services	15,200		15,200	12,209	2,991
Insurance	62,700		62,700	61,775	925
General Supplies	25,000	(6,020)	18,980	16,361	2,619
Energy (Heat & Electricity)	55,000		55,000	53,360	1,640
Other Objects	1,000		1,000	263	737
Energy-Natural Gas	35,000	7,000	42,000	41,843	157
Total Other Operations & Maintenance	<u>366,216</u>	<u>25,820</u>	<u>392,036</u>	<u>373,340</u>	<u>18,696</u>

MONMOUTH BEACH SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care & Upkeep of Grounds:					
Purchased Professional & Tech. Services	500		500		500
Cleaning, Repair & Maintenance Services	19,000	(1,450)	17,550	17,358	192
Other Objects	1,000	(930)	70		70
Total Care & Upkeep of Grounds	<u>20,500</u>	<u>(2,380)</u>	<u>18,120</u>	<u>17,358</u>	<u>762</u>
Security:					
Purchased Professional & Technical Services	48,000	22,000	70,000	69,114	886
Cleaning, Repairs & Maintenance Services	12,000	(7,200)	4,800	4,689	111
Total Security	<u>60,000</u>	<u>14,800</u>	<u>74,800</u>	<u>73,803</u>	<u>997</u>
Total Operations & Maintenance	<u>465,816</u>	<u>96,155</u>	<u>561,971</u>	<u>537,153</u>	<u>24,818</u>
Student Transportation:					
Management Fee - ESC Transportation Program	440		440	246	194
Contracted Services (Other than Between Home & School) - Vendors	15,000		15,000	5,417	9,583
Contracted Services (Regular Students)	7,300		7,300	4,507	2,793
Contracted Services (Special Ed. Students)	8,216	(4,000)	4,216		4,216
Contracted Services-Aid in Lieu	25,000		25,000	6,000	19,000
Total Student Transportation	<u>55,956</u>	<u>(4,000)</u>	<u>51,956</u>	<u>16,170</u>	<u>35,786</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures-Employee Benefits:					
Other Retirement Contrib. - Social Security	60,873	(10,905)	49,968	49,968	-
Other Retirement Contributions - PERS	55,000	(9,811)	45,189	45,119	70
T.P.A.F. Contributions - ERIP	13,000	(13,000)	-	-	-
Other Retirement Contributions - Regular	7,000	(1,857)	5,143	5,143	-
Unemployment Compensation	7,000	(2,431)	4,569	4,569	-
Workman's Compensation	40,000	(2,075)	37,925	37,925	-
Health Benefits	811,926	(30,415)	781,511	781,382	129
Tuition Reimbursements	11,000	(2,100)	8,900	7,100	1,800
Other Employee Benefits	30,000	2,708	32,708	32,708	-
Total Unallocated Benefits	<u>1,035,799</u>	<u>(69,886)</u>	<u>965,913</u>	<u>963,914</u>	<u>1,999</u>
On-Behalf T.P.A.F Pension Contributions - Post Retirement Medical (Non-Budgeted)			-	851,397	(851,397)
On-Behalf T.P.A.F Pension Contributions - Normal Cost (Non-Budgeted)			-	223,660	(223,660)
On-Behalf T.P.A.F Pension Contributions - Long-Term Disability			-	419	(419)
TPAF Social Security Contribution (Reimbursed)	-	-	-	226,782	(226,782)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,302,258</u>	<u>(1,302,258)</u>
Total Undistributed Expenditures	<u>2,882,897</u>	<u>(32,747)</u>	<u>2,850,150</u>	<u>4,051,673</u>	<u>(1,201,523)</u>
Interest Earned on Maintenance Reserve	175		175		175
Interest Earned on Emergency Reserve	5		5		5
Total General Current Expense	<u>5,983,258</u>	<u>(85,342)</u>	<u>5,897,916</u>	<u>7,074,810</u>	<u>(1,176,894)</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Equipment:					
Regular Programs - Instruction:					
Instruction		2,700	2,700	2,612	88
Admin. Information Technology		111,076	111,076	64,401	46,675
Security		8,000	8,000	7,705	295
Total Regular Programs - Instruction	<u>-</u>	<u>121,776</u>	<u>121,776</u>	<u>74,718</u>	<u>47,058</u>
Facilities, Acquisition and Construction Services:					
Architectural/Engineering Services		3,500	3,500	3,500	-
Construction Services	121,000	29,973	150,973	47,073	103,900
Assessment For Debt Service on SDA Funding	12,877		12,877	12,877	-
Total Facilities, Acquisition and Construction Services	<u>133,877</u>	<u>33,473</u>	<u>167,350</u>	<u>63,450</u>	<u>103,900</u>
Interest Deposit to Capital Reserve	300		300		300
Total Capital Outlay	<u>134,177</u>	<u>155,249</u>	<u>289,426</u>	<u>138,168</u>	<u>151,258</u>
Total Current Expense and Capital Outlay	<u>6,117,435</u>	<u>69,907</u>	<u>6,187,342</u>	<u>7,212,978</u>	<u>(1,025,636)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(534,931)	(69,907)	(604,838)	(193,677)	411,161
Other Financing (Uses):					
Transfer from Food Service Fund				31	31

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(534,931)	(69,907)	(604,838)	(193,646)	411,192
Fund Balance, July 1	<u>1,871,324</u>	<u>-</u>	<u>1,871,324</u>	<u>1,871,324</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,336,393</u>	<u>(69,907)</u>	<u>1,266,486</u>	<u>1,677,678</u>	<u>411,192</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Designated for Subsequent Years Expenditures				\$ 279,095	
Designated for Subsequent Years Expenditures - Excess Surplus				168,610	
Designated for Subsequent Years Expenditures - Withdrawal from Maintenance Reserve				112,000	
Maintenance Reserve				246,970	
Capital Reserve				481,874	
Emergency Reserve				10,314	
Excess Surplus				2,836	
Committed Fund Balance:					
Year End Encumbrances				117,898	
Unemployment Compensation				8,081	
Unassigned Fund Balance				<u>250,000</u>	
				1,677,678	
Reconciliation to Governmental Funds Statement (GAAP):					
Final State Audit Payments not Recognized on GAAP Basis				<u>(20,029)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,657,649</u>	

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-2
Sheet 1 of 2**

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	<u>\$ -</u>	<u>81,557</u>	<u>81,557</u>	<u>81,557</u>	<u>-</u>
Federal Sources:					
Title II	3,143	397	3,540	3,540	-
Title IV	8,500		8,500	3,935	4,565
IDEA Part B, Basic	78,975		78,975	43,577	35,398
IDEA Part B, Preschool	1,115		1,115	1,115	-
CARES	20,562		20,562	500	20,062
CRSSA - ESSER II	79,892		79,892	1,500	78,392
CRSSA - Learning	21,250		21,250	12,609	8,641
CRSSA - Mental Health	38,250		38,250	7,118	31,132
ARP - IDEA Preschool	790	(790)	-	-	-
ARP - IDEA Basic	9,239	(9,239)	-	-	-
ARP - ESSER	179,553		179,553	96,396	83,157
ARP - Mental Health	38,250		38,250	34,700	3,550
ARP - Beyond School Day	34,000	(34,000)	-	-	-
ARP - Accelerated Learning	42,500	2,050	44,550	44,550	-
ARP - Summer Learning	34,000		34,000	10,472	23,528
Total Federal Sources	<u>590,019</u>	<u>(41,582)</u>	<u>548,437</u>	<u>260,012</u>	<u>288,425</u>
Total Revenues	<u>590,019</u>	<u>39,975</u>	<u>629,994</u>	<u>341,569</u>	<u>288,425</u>
Expenditures:					
Instruction:					
Salaries of Teachers	165,000		165,000	89,546	75,454
Instructional Supplies	40,000	2,376	42,376	12,476	29,900
Total Instruction	<u>205,000</u>	<u>2,376</u>	<u>207,376</u>	<u>102,022</u>	<u>105,354</u>

MONMOUTH BEACH SCHOOL DISTRICT

**Exhibit C-2
Sheet 2 of 2**

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Support Services:					
Purchased Professional & Technical Services	300,000	(44,029)	255,971	141,810	114,161
Benefits	10,940		10,940	6,850	4,090
Supplies	4,270	75	4,345	500	3,845
Student Activities		49,983	49,983	49,983	-
Total Support Services	<u>315,210</u>	<u>6,029</u>	<u>321,239</u>	<u>199,143</u>	<u>122,096</u>
Facilities Acquisition and Construction Services:					
Equipment	<u>69,809</u>	<u>40,944</u>	<u>110,753</u>	<u>49,778</u>	<u>60,975</u>
Total Facilities Acquisition and Construction Services	<u>69,809</u>	<u>40,944</u>	<u>110,753</u>	<u>49,778</u>	<u>60,975</u>
Total Expenditures	<u>590,019</u>	<u>49,349</u>	<u>639,368</u>	<u>350,943</u>	<u>288,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(9,374)</u>	<u>(9,374)</u>	<u>(9,374)</u>	<u>-</u>
Fund Balance, July 1				<u>\$ 24,578</u>	
Fund Balance, June 30				<u>\$ 15,204</u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 15,204</u>	
Total Fund Balance				<u>\$ 15,204</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 7,019,301	341,569
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	19,461	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(20,029)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 7,018,733</u>	<u>341,569</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,212,978	350,943
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 7,212,978</u>	<u>350,943</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR PENSIONS (GASB 68) – L**

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST TEN FISCAL YEARS

Exhibit L-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00345%	0.00412%	0.00406%	0.00401%	0.00411%	0.00409%	0.00445%	0.00339%	0.00230%	0.00347%
District's Proportionate Share of the Net Pension Liability	<u>\$ 524,899</u>	<u>492,871</u>	<u>667,068</u>	<u>727,237</u>	<u>809,313</u>	<u>952,979</u>	<u>1,316,690</u>	<u>760,937</u>	<u>430,967</u>	<u>662,964</u>
District's Covered-Employee Payroll	\$ 242,284	312,714	304,892	296,012	286,812	291,414	272,908	280,275	196,268	150,236
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	46.16%	63.45%	45.71%	40.70%	35.44%	30.58%	20.73%	36.83%	45.54%	22.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.41%	42.90%	42.90%	42.04%	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

Exhibit L-2

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 50,032	46,032	44,895	44,068	54,706	56,807	10,791	26,218	31,682	31,894
Contributions in Relation to the Contractually Required Contribution	50,032	46,032	44,895	44,068	54,706	56,807	10,791	26,218	31,682	31,894
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$242,284	312,714	304,892	296,012	286,812	291,414	272,908	280,275	196,268	150,236
Contributions as a Percentage of Covered-Employee Payroll	20.65%	14.72%	14.72%	14.89%	19.07%	19.49%	3.95%	9.35%	16.14%	21.23%

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

Exhibit L-3

NET PENSION LIABILITY - TPAF

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	-	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>9,821,797</u>	<u>9,944,786</u>	<u>13,530,004</u>	<u>12,366,210</u>	<u>12,220,332</u>	<u>13,647,410</u>	<u>15,610,832</u>	<u>12,556,877</u>	<u>11,583,709</u>	<u>10,792,901</u>
Total	<u>\$ 9,821,797</u>	<u>9,944,786</u>	<u>13,530,004</u>	<u>12,366,210</u>	<u>12,220,332</u>	<u>13,647,410</u>	<u>15,610,832</u>	<u>12,556,877</u>	<u>11,583,709</u>	<u>10,792,901</u>
District's Covered-Employee Payroll	\$ 2,915,381	2,236,965	2,269,069	2,236,203	2,140,642	2,021,068	2,068,290	2,065,244	1,860,019	1,910,236
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	29.68%	22.49%	16.77%	18.08%	17.52%	14.81%	13.25%	16.45%	16.06%	17.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	32.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

MONMOUTH BEACH SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
TEACHER'S PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS

L-4

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING
FOR OPEB (GASB 75) - M**

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Exhibit M-1

LAST SEVEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's Proportionate Share of OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate of the Net OPEB Liability	\$ -	-	-	-	-	-	-
<u>State's OPEB Liability Attributable to the District</u>							
Service Cost	\$ 523,180	611,150	340,563	304,518	347,234	419,609	*
Interest	236,750	279,673	281,026	337,305	360,853	312,151	*
Change in Benefit Terms		(11,475)					*
Benefit Payments	(234,508)	(220,304)	(214,619)	(239,189)	(227,991)	(227,951)	*
Member Contributions	7,523	7,150	6,505	7,090	7,880	8,394	*
Difference between Expected and Actual Experience	16,104	(2,223,659)	1,870,623	(1,260,291)	(824,758)		*
Change of Assumptions	(2,396,520)	10,636	2,251,885	116,178	(978,437)	(1,312,747)	*
Net Change in Total OPEB Liability	<u>(1,847,471)</u>	<u>(1,546,829)</u>	<u>4,535,983</u>	<u>(734,389)</u>	<u>(1,315,219)</u>	<u>(800,544)</u>	*
Total Attributable OPEB Liability - Beginning	<u>10,781,079</u>	<u>12,327,908</u>	<u>7,791,925</u>	<u>8,526,314</u>	<u>9,841,533</u>	<u>10,642,077</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 8,933,608</u>	<u>10,781,079</u>	<u>12,327,908</u>	<u>7,791,925</u>	<u>8,526,314</u>	<u>9,841,533</u>	<u>10,642,077</u>
District's Covered Payroll	\$ 3,157,665	2,549,679	2,573,961	2,532,215	1,919,908	2,312,482	2,341,198
District's Contribution	None	None	None	None	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	282.92%	422.84%	478.95%	307.71%	444.10%	425.58%	454.56%

* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for seven years. Additional years will be presented as they become available.

MONMOUTH BEACH SCHOOL DISTRICT**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****FOR THE FISCAL YEAR ENDED JUNE 30, 2023****Exhibit M-2**Change of Benefit Terms

Refer to Note 5 - Notes to Financial Statements.

Difference Between Expected and Actual Experience

The change in the liability from June 30, 2021 to June 30, 2022 is due to changes in the census, claims and premiums experience.

Changes of Assumptions

The Discount Rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

MONMOUTH BEACH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Exhibit E-1
Page 1 of 2

	<u>Title IIA</u>	<u>Title IV</u>	<u>I.D.E.A Part B Basic</u>	<u>I.D.E.A Part B Preschool</u>	<u>CARES</u>	<u>CRSSA ESSER II</u>	<u>CRSSA Learning</u>	<u>CRSSA Mental Health</u>	<u>ARP ESSER</u>	<u>ARP Mental Health</u>
Revenues:										
Federal Sources	\$ 3,540	3,935	43,577	1,115	500	1,500	12,609	7,118	96,396	34,700
Local Sources										
Total Revenue	<u>3,540</u>	<u>3,935</u>	<u>43,577</u>	<u>1,115</u>	<u>500</u>	<u>1,500</u>	<u>12,609</u>	<u>7,118</u>	<u>96,396</u>	<u>34,700</u>
Expenditures:										
Instruction:										
Salaries									89,546	
Instructional Supplies	540	485								
Total Instruction	<u>540</u>	<u>485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,546</u>	<u>-</u>
Support Services:										
Professional & Tech. Services	3,000		43,577	1,115		1,500	6,250	7,118		34,700
Benefits									6,850	
Supplies					500					
Student Activities										
Total Support Services	<u>3,000</u>	<u>-</u>	<u>43,577</u>	<u>1,115</u>	<u>500</u>	<u>1,500</u>	<u>6,250</u>	<u>7,118</u>	<u>6,850</u>	<u>34,700</u>
Facilities, Acquisition and Construction Services:										
Equipment		3,450					6,359			
Total Facilities, Acquisition and Construction Services	<u>-</u>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,359</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,540</u>	<u>3,935</u>	<u>43,577</u>	<u>1,115</u>	<u>500</u>	<u>1,500</u>	<u>12,609</u>	<u>7,118</u>	<u>96,396</u>	<u>34,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balance, July 1										
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

MONMOUTH BEACH SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

Exhibit E-1

Page 2 of 2

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>ARP Accelrated Learning</u>	<u>ARP Summer Learning</u>	<u>American Heart</u>	<u>Science Lab</u>	<u>Student Activity</u>	<u>Totals June 30, 2023</u>
Revenues:						
Federal Sources	44,550	10,472				260,012
Local Sources			979	39,969	40,609	81,557
Total Revenue	<u>44,550</u>	<u>10,472</u>	<u>979</u>	<u>39,969</u>	<u>40,609</u>	<u>341,569</u>
Expenditures:						
Instruction:						
Salaries						89,546
Instructional Supplies		10,472	979			12,476
Total Instruction	<u>-</u>	<u>10,472</u>	<u>979</u>	<u>-</u>	<u>-</u>	<u>102,022</u>
Support Services:						
Professional & Tech. Services	44,550					141,810
Benefits						6,850
Supplies						500
Student Activities					49,983	49,983
Total Support Services	<u>44,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,983</u>	<u>199,143</u>
Facilities, Acquisition and Construction Services:						
Equipment				39,969		49,778
Total Facilities, Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,969</u>	<u>-</u>	<u>49,778</u>
Total Expenditures	<u>44,550</u>	<u>10,472</u>	<u>979</u>	<u>39,969</u>	<u>49,983</u>	<u>350,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	(9,374)	(9,374)
Fund Balance, July 1					24,578	24,578
Fund Balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,204</u>	<u>15,204</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

N/A

FIDUCIARY FUND – H

N/A

LONG-TERM DEBT - I

MONMOUTH BEACH SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2023

Exhibit I-1

	<u>Date</u>	<u>Original</u>	<u>Annual Maturities</u>		<u>Interest</u>	<u>Balance</u>	<u>Retired</u>	<u>Balance</u>
	<u>of Issue</u>	<u>Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>July 1, 2022</u>		<u>June 30, 2023</u>
Refunding Bonds	3/25/2010	\$ 2,580,000	2/1/2024	\$ 200,000	4.00%	\$ 825,000	200,000	625,000
			2/1/2025	210,000				
			2/1/2026	215,000				
						<u>\$ 825,000</u>	<u>200,000</u>	<u>625,000</u>

MONMOUTH BEACH SCHOOL DISTRICT

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 233,000		233,000	233,000	
Total Revenues	<u>233,000</u>	<u>-</u>	<u>233,000</u>	<u>233,000</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Interest	33,000		33,000	33,000	-
Redemption of Principal	<u>200,000</u>		<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Expenditures	<u>233,000</u>	<u>-</u>	<u>233,000</u>	<u>233,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

MONMOUTH BEACH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

J-1

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities										
Invested in Capital Assets, net of related Debt	\$ 2,981,163	3,000,835	3,030,507	3,065,179	1,333,079	1,320,352	1,314,083	1,333,733	1,946,872	1,878,208
Restricted	1,442,882	1,621,324	1,796,796	1,626,771	1,569,501	2,544,099	2,179,303	2,019,569	2,926,408	2,605,861
Unrestricted	<u>(532,319)</u>	<u>(621,404)</u>	<u>(708,916)</u>	<u>(427,550)</u>	<u>(705,384)</u>	<u>(656,376)</u>	<u>(605,964)</u>	<u>(576,385)</u>	<u>(1,011,504)</u>	<u>126,862</u>
Total Governmental Activities	<u>\$ 3,891,726</u>	<u>4,000,755</u>	<u>4,118,387</u>	<u>4,264,400</u>	<u>2,197,196</u>	<u>3,208,075</u>	<u>2,887,422</u>	<u>2,776,917</u>	<u>3,861,776</u>	<u>4,610,931</u>
Business Type Activities										
Invested in Capital Assets, net of related Debt	\$ -	-	-	-	-	-	-	-	-	-
Unrestricted	<u>31</u>	<u>2,250</u>	<u>878</u>	<u>44,242</u>	<u>59,000</u>	<u>89,074</u>	<u>44,356</u>	<u>58,766</u>	<u>39,972</u>	
Total Business Type Activities	<u>\$ -</u>	<u>31</u>	<u>2,250</u>	<u>878</u>	<u>44,242</u>	<u>59,000</u>	<u>89,074</u>	<u>44,356</u>	<u>58,766</u>	<u>39,972</u>
District-wide										
Invested in Capital Assets, net of related Debt	\$ 2,981,163	3,000,835	3,030,507	3,065,179	1,333,079	1,320,352	1,314,083	1,333,733	1,946,872	1,878,208
Restricted	1,442,882	1,621,324	1,796,796	1,626,771	1,569,501	2,544,099	2,179,303	2,019,569	2,926,408	2,605,861
Unrestricted	<u>(532,319)</u>	<u>(621,373)</u>	<u>(706,666)</u>	<u>(426,672)</u>	<u>(661,142)</u>	<u>(597,376)</u>	<u>(516,890)</u>	<u>(532,029)</u>	<u>(952,738)</u>	<u>166,834</u>
Total District Position	<u>\$ 3,891,726</u>	<u>4,000,786</u>	<u>4,120,637</u>	<u>4,265,278</u>	<u>2,241,438</u>	<u>3,267,075</u>	<u>2,976,496</u>	<u>2,821,273</u>	<u>3,920,542</u>	<u>4,650,903</u>

MONMOUTH BEACH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses:										
Governmental Activities	\$ 7,702,362	7,316,091	6,772,256	4,167,337	6,997,132	5,457,435	5,412,111	5,657,047	5,234,445	4,953,467
Business Type Activities		5,586	3,847	6,436	105,286	125,725	11,416	57,946	56,811	58,685
Total District Expenses	<u>7,702,362</u>	<u>7,321,677</u>	<u>6,776,103</u>	<u>4,173,773</u>	<u>7,102,418</u>	<u>5,583,160</u>	<u>5,423,527</u>	<u>5,714,993</u>	<u>5,291,256</u>	<u>5,012,152</u>
Program Revenues:										
Governmental Activities	260,012	309,808	129,070	105,971	93,464	106,634	104,719	103,639	145,707	13,081
Business Type Activities		1,703	5,208	3,378	87,613	95,651	56,134	43,536	75,605	95,755
Total District Program Revenues	<u>260,012</u>	<u>311,511</u>	<u>134,278</u>	<u>109,349</u>	<u>181,077</u>	<u>202,285</u>	<u>160,853</u>	<u>147,175</u>	<u>221,312</u>	<u>108,836</u>
Net (Expense):										
Governmental Activities	(7,442,350)	(7,006,283)	(6,643,186)	(4,061,366)	(6,903,668)	(5,350,801)	(5,307,392)	(5,553,408)	(5,088,738)	(4,940,386)
Business Type Activities	-	(3,883)	1,361	(3,058)	(17,673)	(30,074)	44,718	(14,410)	18,794	37,070
Total District-wide Net Expense	<u>(7,442,350)</u>	<u>(7,010,166)</u>	<u>(6,641,825)</u>	<u>(4,064,424)</u>	<u>(6,921,341)</u>	<u>(5,380,875)</u>	<u>(5,262,674)</u>	<u>(5,567,818)</u>	<u>(5,069,944)</u>	<u>(4,903,316)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities	7,333,321	6,888,651	6,414,886	6,128,570	5,892,789	5,671,474	5,417,897	4,468,549	5,178,342	5,156,730
Business Type Activities	(31)	1,664	11	(40,306)	2,915	-	-	-	-	-
Total District-wide	<u>7,333,290</u>	<u>6,890,315</u>	<u>6,414,897</u>	<u>6,088,264</u>	<u>5,895,704</u>	<u>5,671,474</u>	<u>5,417,897</u>	<u>4,468,549</u>	<u>5,178,342</u>	<u>5,156,730</u>
Change in Net Position:										
Governmental Activities	(109,029)	(117,632)	(228,300)	2,067,204	(1,010,879)	320,673	110,505	(1,084,859)	89,604	216,344
Business Type Activities	(31)	(2,219)	1,372	(43,364)	(14,758)	(30,074)	44,718	(14,410)	18,794	37,070
Total District	<u>(109,060)</u>	<u>(119,851)</u>	<u>(226,928)</u>	<u>2,023,840</u>	<u>(1,025,637)</u>	<u>290,599</u>	<u>155,223</u>	<u>(1,099,269)</u>	<u>108,398</u>	<u>253,414</u>

MONMOUTH BEACH SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

J-3

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:										
Reserved	\$ 1,427,678	1,621,324	1,797,496	1,943,090	1,569,501	2,544,099	2,126,670	1,966,956	2,873,795	2,553,248
Unreserved	229,971	230,539	226,256	232,571	243,105	258,077	241,912	188,884	236,021	237,977
Total General Fund	<u>\$ 1,657,649</u>	<u>1,851,863</u>	<u>2,023,752</u>	<u>2,175,661</u>	<u>1,812,606</u>	<u>2,802,176</u>	<u>2,368,582</u>	<u>2,155,840</u>	<u>3,109,816</u>	<u>2,791,225</u>
All Other Governmental Funds:										
Unreserved, Reported in:										
Capital Projects Fund	\$ -	-	-	-	-	-	52,613	52,613	52,613	52,613
Special Revenue Fund	15,204	24,578	55,798							
Debt Service Fund				10,672	10,672					
Total All Other Government Funds	<u>\$ 15,204</u>	<u>24,578</u>	<u>55,798</u>	<u>10,672</u>	<u>10,672</u>	<u>-</u>	<u>52,613</u>	<u>52,613</u>	<u>52,613</u>	<u>52,613</u>

MONMOUTH BEACH SCHOOL DISTRICT
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
UNAUDITED

J-4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues										
Tax Levy	\$ 5,374,596	5,138,107	5,033,609	4,948,692	4,865,125	4,766,778	4,672,380	4,311,849	4,235,006	4,149,172
Other Local Revenue	443,845	338,162	251,846	174,959	92,878	88,986	19,614	17,087	100,989	147,304
State Sources	1,514,849	1,414,040	1,162,302	971,311	934,786	815,710	725,903	668,425	575,323	541,247
Federal Sources	260,012	309,808	96,199	99,257	93,464	106,634	104,719	103,639	412,731	273,869
Total Revenues	<u>7,593,302</u>	<u>7,200,117</u>	<u>6,543,956</u>	<u>6,194,219</u>	<u>5,986,253</u>	<u>5,778,108</u>	<u>5,522,616</u>	<u>5,101,000</u>	<u>5,324,049</u>	<u>5,111,592</u>
Expenditures										
Instruction:										
Regular	2,937,629	2,872,337	2,100,181	1,726,249	1,916,135	1,655,401	1,693,010	1,698,940	1,585,548	1,644,184
Special			431,340	333,302	222,516	264,294	246,369	209,341	276,489	299,270
Other	85,508	54,364	29,687	41,761	42,157	133,685	107,632	160,863	104,081	92,241
School-sponsored/other instructional										
Total instruction	<u>3,023,137</u>	<u>2,926,701</u>	<u>2,561,208</u>	<u>2,101,312</u>	<u>2,180,808</u>	<u>2,053,380</u>	<u>2,047,011</u>	<u>2,069,144</u>	<u>1,966,118</u>	<u>2,035,695</u>
Undistributed:										
Instruction/Tuition					10,670	178,115				
Support Services - Instructional staff	652,383	439,227	574,169	580,436	549,574	462,439	727,989	544,029	393,638	369,043
School Administration	441,617	397,124	117,912	257,875	252,145	89,880	130,226	139,209	316,663	136,312
Other Administration	138,178	328,492	642,602	310,174	170,832	317,488	372,124	262,416	172,832	249,244
Operations and Maintenance	537,153	460,108	440,304	381,400	425,740	353,336	305,861	371,961	408,497	417,107
Student Transportation	16,170	8,752	9,659	33,167	79,838	92,600	94,711	54,245	42,836	43,301
Unallocated Benefits	2,266,172	1,993,658	1,810,564	1,530,617	1,463,491	1,297,025	1,259,077	1,135,511	1,127,874	1,121,938
Education Jobs/Other	-	-	-	-	-	-	-	-	-	-
Total Undistributed	<u>4,051,673</u>	<u>3,627,361</u>	<u>3,595,210</u>	<u>3,093,669</u>	<u>2,952,290</u>	<u>2,790,883</u>	<u>2,889,988</u>	<u>2,507,371</u>	<u>2,462,340</u>	<u>2,336,945</u>
Capital Outlay:										
Equipment	138,168	258,744	198,399	338,784	1,506,193	213,230	40,656	609,522	201,543	341,939
Total Capital Outlay	<u>138,168</u>	<u>258,744</u>	<u>198,399</u>	<u>338,784</u>	<u>1,506,193</u>	<u>213,230</u>	<u>40,656</u>	<u>609,522</u>	<u>201,543</u>	<u>341,939</u>
Total General Fund Expenditures	<u>7,212,978</u>	<u>6,812,806</u>	<u>6,354,817</u>	<u>5,533,765</u>	<u>6,639,291</u>	<u>5,057,493</u>	<u>4,977,655</u>	<u>5,186,037</u>	<u>4,630,001</u>	<u>4,714,579</u>
Special Revenue:										
Federal and Local	350,943	358,162	145,209	105,971	95,860	106,634	104,719	103,639	145,707	13,081
Total Special Revenue expenditures	<u>350,943</u>	<u>358,162</u>	<u>145,209</u>	<u>105,971</u>	<u>95,860</u>	<u>106,634</u>	<u>104,719</u>	<u>103,639</u>	<u>145,707</u>	<u>13,081</u>
Capital Projects Fund Expenditures										
Debt Service Expenditures										
	233,000	230,600	233,000	231,750	230,000	233,000	227,500	236,488	229,750	222,450
Total Governmental Fund Expenditures	<u>7,796,921</u>	<u>7,401,568</u>	<u>6,733,026</u>	<u>5,871,486</u>	<u>6,965,151</u>	<u>5,397,127</u>	<u>5,309,874</u>	<u>5,526,164</u>	<u>5,005,458</u>	<u>4,950,110</u>
Excess(Deficiency) of Revenues										
Over(Under) Expenditures	(203,619)	(201,451)	(189,070)	322,733	(978,898)	380,981	212,742	(425,164)	318,591	161,482
Other Financing Sources (Uses)										
	31	(1,658)		40,322				(528,812)		58,219
Net Change in Fund Balance	<u>\$ (203,588)</u>	<u>(203,109)</u>	<u>(189,070)</u>	<u>363,055</u>	<u>(978,898)</u>	<u>380,981</u>	<u>212,742</u>	<u>(953,976)</u>	<u>318,591</u>	<u>219,701</u>

Source: District records

MONMOUTH BEACH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

J-5

	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ -		146,304	146,304
2015			100,989	100,989
2016			17,087	17,087
2017	1,548		18,066	19,614
2018	1,968		87,018	88,986
2019	1,261	46,250	42,971	90,482
2020	5,975	94,425	67,845	168,245
2021	867	212,699	5,409	218,975
2022	751	316,720	20,691	338,162
2023	9,148	334,880	99,817	443,845

Source: District records

MONMOUTH BEACH SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

J-6

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2013	\$ 1,210,464,700	1,261,163,472	95.98%
2014	1,202,784,900	1,273,462,043	94.45%
2015	1,299,878,900	1,300,268,981	99.97%
2016	1,295,283,678	1,328,904,974	97.47%
2017	1,376,781,700	1,402,732,247	98.15%
2018	1,465,914,900	1,499,964,085	97.73%
2019	1,555,952,600	1,592,093,114	97.73%
2020	1,596,446,200	1,633,527,269	97.73%
2021	1,629,890,000	1,649,686,235	98.80%
2022	1,815,973,200	1,838,029,555	98.80%

Source: Abstract of Ratables, County Board of Taxation.

MONMOUTH BEACH SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED

J-7

<u>Assessment Year</u>	<u>Monmouth Beach School District</u>	<u>Shore Regional High School</u>	<u>Monmouth Beach Borough</u>	<u>Monmouth County</u>	<u>Total</u>
2013	\$ 0.343	0.300	0.328	0.312	1.283
2014	0.352	0.292	0.333	0.323	1.300
2015	0.332	0.276	0.338	0.311	1.257
2016	0.361	0.316	0.343	0.303	1.323
2017	0.346	0.284	0.343	0.295	1.268
2018	0.332	0.260	0.336	0.301	1.229
2019	0.318	0.286	0.317	0.281	1.202
2020	0.313	0.309	0.318	0.286	1.226
2021	0.312	0.300	0.380	0.278	1.270
2022	0.290	0.287	0.340	0.259	1.176

Source: Tax Collector

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

J-8

<u>Taxpayer</u>	<u>Assessed Valuation 2023</u>	<u>As a Percentage of District Net Assessed Valuation</u>
Taxpayer #1	\$ -	0.00%
Taxpayer #2		0.00%
Taxpayer #3	NO DATA AVAILABLE	0.00%
Taxpayer #4		0.00%
Taxpayer #5		0.00%
Taxpayer #6		0.00%
Taxpayer #7		0.00%
Taxpayer #8		0.00%
Taxpayer #9		0.00%
Taxpayer #10		0.00%
Total	<u>\$ -</u>	<u>0.00%</u>

Source: Municipal Tax Assessor.

Note: Information for Nine Years ago was not available

MONMOUTH BEACH SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

J-9

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2013	\$ 15,845,481	15,844,473	99.99%
2014	15,616,487	15,375,993	98.46%
2015	16,424,401	16,216,862	98.71%
2016	17,245,820	17,055,597	98.84%
2017	17,590,272	17,416,068	99.01%
2018	18,093,535	17,849,811	98.65%
2019	18,791,105	18,396,087	97.89%
2020	19,645,186	19,495,627	99.23%
2021	20,774,125	20,665,541	99.47%
2022	21,424,538	21,299,302	99.41%

Source: Municipal Tax Collector

MONMOUTH BEACH SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
UNAUDITED

J-10

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Other Debt</u>	<u>Total Debt Per District</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2014	\$ 2,140,000		2,140,000	3.1%	660.70
2015	1,995,000		1,995,000	3.4%	617.46
2016	1,850,000		1,850,000	3.8%	574.18
2017	1,700,000		1,700,000	4.3%	526.64
2018	1,540,000		1,540,000	4.9%	477.08
2019	1,375,000		1,375,000	5.8%	425.96
2020	1,200,000		1,200,000	6.9%	367.87
2021	1,015,000		1,015,000	8.1%	314.44
2022	825,000		825,000	10.4%	256.85
2023	625,000		625,000	13.8%	194.58

Source: District records.

MONMOUTH BEACH SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
UNAUDITED

J-11

<u>Fiscal Year Ended June 30,</u>	<u>School District Population</u>	<u>Net Assessed Valuation Taxable</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2014	3,290	1,210,767,732	2,140,000	0.177%	650.46
2015	3,298	1,300,216,806	1,995,000	0.153%	604.91
2016	3,298	1,295,283,678	1,850,000	0.143%	560.95
2017	3,228	1,376,781,700	1,700,000	0.123%	526.64
2018	3,236	1,465,914,900	1,540,000	0.105%	475.90
2019	3,243	1,555,952,600	1,375,000	0.088%	423.99
2020	3,262	1,596,446,200	1,200,000	0.075%	367.87
2021	3,212	1,629,890,000	1,105,000	0.068%	344.02
2022	3,212	1,815,973,200	825,000	0.045%	256.85
2023	3,200	1,815,973,200	625,000	0.034%	195.31

**Source: Abstract of Ratables, County Board of Taxation.
School District records.**

MONMOUTH BEACH SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
UNAUDITED

J-12

Net Direct Debt of School District as of December 31, 2022	\$ 625,000
Net Overlapping debt of School District: Monmouth Beach Borough	<u>15,933,503</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2022	<u><u>\$ 16,558,503</u></u>

Source: Monmouth Beach Chief Financial Officer.

MONMOUTH BEACH SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
UNAUDITED

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3 Year Average Equalized Valuation of Taxable Property	\$ 1,830,989,474
School Borrowing Margin (3% of 1,830,989,474)	54,929,684
Net Bonded School Debt as of June 30, 2023	625,000
School Borrowing Margin Available	\$ 54,304,684

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$ 54,929,684	50,865,079	47,853,219	41,835,527	41,835,527	41,835,536	40,160,080	39,740,534	39,748,799	40,735,931
Net Debt	625,000	825,000	1,105,000	1,200,000	1,375,000	1,540,000	1,850,000	1,995,000	2,140,000	2,275,000
Legal Debt Margin	\$ 54,304,684	50,040,079	46,748,219	40,635,527	40,460,527	40,295,536	38,310,080	37,745,534	37,608,799	38,460,931

Source: State of New Jersey, Department of Taxation.

MONMOUTH BEACH SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
UNAUDITED

J-14

<u>Year Ended December 31,</u>	<u>Monmouth Beach Unemployment Rate</u>	<u>Monmouth Beach Personal Income (a)</u>	<u>Monmouth County Per Capita Income</u>	<u>Population</u>
2013	2.3%	209,326,250	63,625	3,290
2014	4.5%	216,200,011	66,749	3,239
2015	4.0%	228,140,910	70,610	3,231
2016	3.8%	234,850,194	73,071	3,214
2017	3.5%	244,449,520	75,916	3,220
2018	3.1%	255,578,025	79,249	3,225
2019	2.6%	266,801,610	82,270	3,243
2020	6.6%	280,828,842	86,091	3,262
2021	4.1%	295,886,228	92,119	3,212
2022	2.5%	Unavailable	Unavailable	3,200

**Source: Bureau of Labor Statistics, United States Department of Commerce and
State Data Center**

(a) Personal Income has been estimated based upon the municipal population and per capita income presented

MONMOUTH BEACH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

J-15

2023

DATA NOT AVAILABLE

2014

DATA NOT AVAILABLE

MONMOUTH BEACH SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction:										
Regular	21.4	22.4	22.0	22.2	22.2	23.6	22.7	23.0	23.0	23.0
Special Education	4.0	4.0	4.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Other Instruction	4.1	4.1	4.1	5.0	5.0	2.9	2.9	2.9	2.9	2.9
Support Services:										
Student and Instruction Related Services	2.7	2.5	2.1	2.1	2.1	2.3	2.3	2.3	2.3	2.3
General Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5
School Administrative Services	0.2	0.2	0.2	0.2	0.2	1.5	1.5	1.5	1.5	1.5
Other Administrative Services	2.0	2.0	2.0	2.0	2.0	1.2				
Central Service	1.3	1.3	1.3	1.3	1.3	1.3	1.0	1.0	1.0	1.0
Administrative Information Technology	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant Operations and Maintenance	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Other Support Services	-	-	-	-	-	-	-	-	-	-
Total	39.7	40.5	39.7	42.8	42.8	42.8	40.9	41.2	41.2	41.2

Source: District Personnel Records

OPERATING STATISTICS

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teacher Staff (b)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>
2014	285	\$ 4,876,061	17,109	11.54%	25.4	11.2	284.5	271.7
2015	278	4,206,752	15,132	4.50%	29.5	9.4	265.1	252.2
2016	257	4,089,053	15,911	5.56%	30.2	10.8	251.1	240.5
2017	231	4,714,770	20,410	17.61%	30.4	9.1	238.7	226.7
2018	245	5,057,493	20,643	1.00%	32.2	7.6	244.6	232.3
2019	234	6,965,151	29,766	44.20%	32.5	7.2	233.6	221.3
2020	240	5,871,486	24,465	0.00%	33.9	7.1	235.1	225.7
2021	257	6,733,026	26,199	3.50%	31.9	8.1	252.0	242.0
2022	250	6,812,806	27,251	0.40%	31.9	7.8	249.0	242.0
2023	257	7,563,921	29,432	7.90%	31.9	8.1	249.0	242.0

Source: District Records.

Note: Enrollment based on annual October District count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MONMOUTH BEACH SCHOOL DISTRICT

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SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

<u>District Building</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Elementary:										
Monmouth Beach										
Square Feet	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882	61,882
Capacity (Students)	337	337	337	337	337	337	337	337	337	337
Enrollment	285	278	257	231	245	234	232	257	250	257

Source: District Records

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

J-19

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Monmouth</u> <u>Beach</u> <u>Elementary</u>
2014	\$ 6,732
2015	36,579
2016	30,431
2017	5,769
2018	21,184
2019	80,869
2020	25,300
2021	25,948
2022	43,243
2023	72,652

Source: District records.

MONMOUTH BEACH SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2023UNAUDITED

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
Property-Blanket Building & Contents	\$ 9,965,630	1,000
Comprehensive General Liability	6,000,000	
Comprehensive Auto Liability	6,000,000	
Comprehensive Crime Coverage	25,000	500
Other Flood - Contents	10,000,000	*
Computers and Scheduled Equipment -		
Data Processing Equipment	300,000	1,000
Boiler and Machinery -		
Property Damage	1,000,000	1,000
Umbrella Liability -		
Umbrella Policy	2,000,000	
School Board Legal Liability -		
Directors and Officers Policy	5,000,000	5,000

* = Flood subject to alternate deductibles

Source: District records.

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND REPORTING ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

K-1

Honorable President and Members
of the Board of Education
Monmouth Beach School District
County of Monmouth
Monmouth Beach, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated January 15, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monmouth Beach Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

January 15, 2024

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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Telecopier:
(732) 280-8888
e-mail:
rah@monmouth.com

2807 Hurley Pond Road • Suite 100
P.O. Box 1409
Wall, New Jersey 07719-1409
(732) 681-4990

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
REQUIRED BY UNIFORM ADMINISTRATIVE AWARDS (UNIFORM GUIDANCE), AND
NEW JERSEY OMB'S CIRCULAR 15-08

K-2

Honorable President and Members
of the Board of Education
Monmouth Beach School District
County of Monmouth
Monmouth Beach, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Monmouth Beach Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Monmouth Beach Board of Education's major state programs for the year ended June 30, 2023. The Monmouth Beach Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Monmouth Beach Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Monmouth Beach Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Monmouth Beach Board of Education's compliance with the requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above have occurred, whether due to fraud or error, and express an opinion on the Monmouth Beach Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and NJ OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Monmouth Beach Board of Education's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Monmouth Beach Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Monmouth Beach Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Monmouth Beach Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purposes described in the Auditor's Responsibilities for the Audit of Compliance paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

**Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company
Wall Township, New Jersey**

January 15, 2024

MONMOUTH BEACH SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Schedule A
K-3

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Federal FAIN Number	Grant or State Project Number	Grant Period		Program or Award Amount	Balance June 30, 2022	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances Adjustment	Balance at June 30, 2023			
				From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture Passed Through State Department of Education: Special Milk Program	10.556	221NJ304N1099	N/A	09/01/2021	06/30/2022	\$ 1,703	\$ (31)		31						
Total U.S. Department of Agriculture							(31)	-	31	-	-	-	-	-	-
U.S. Department of Education: Passed Through State Department of Education: Special Revenue Fund:															
Title II A	84.367A	S367A220029	NCLB 23	09/01/2022	06/30/2023	7,520				(3,540)			(3,540)		
Title IV	84.367A	S367A150029	NCLB 22	09/01/2021	06/30/2022	10,000	(1)				1				
Title IV	84.367A	S367A150029	NCLB 23	09/01/2022	06/30/2023	3,935				(3,935)			(3,935)		
CRSSA:															
ESSER II	84.425D	S425D200027	NA	03/13/2020	09/30/2023	93,991	(72,441)	71,665		(1,500)	776		(1,500)		
Learning	84.425D	S425D200027	NA	03/13/2020	09/30/2023	25,000				(12,609)			(12,609)		
Mental Health	84.425D	S425D200027	NA	03/13/2020	09/30/2023	45,000	(30,973)	38,091		(7,118)					
ARP:															
ESSER	84.425U	S425U210027	NA	03/11/2021	09/30/2024	211,239	(57,731)	153,350		(96,396)	776		(1)		
Mental Health	84.425U	S425U210027	NA	03/11/2021	09/30/2024	45,000	(5,250)	28,964		(34,700)			(10,986)		
Accelerated Learning	84.425U	S425U210027	NA	03/11/2021	09/30/2024	50,000				(44,550)			(44,550)		
Summer Learning	84.425U	S425U210027	NA	03/11/2021	09/30/2024	40,000				(10,472)			(10,472)		
Coronavirus Relief Fund	21.019	STL0040	NA	09/01/2020	12/01/2022	23,690			500	(500)					
LD.E.A. Basic	84.027	H027A160100	FT22	09/01/2021	06/30/2022	93,218	(17,766)	17,766							
LD.E.A. Basic	84.027	H027A160100	FT23	09/01/2022	06/30/2023	85,614		13,600		(43,577)			(29,977)		
LD.E.A. Preschool	84.173	H173A150114	FT22	09/01/2021	06/30/2022	1,005	(993)	993							
LD.E.A. Preschool	84.173	H173A150114	FT23	09/01/2022	06/30/2023	1,195	-	-		(1,115)			(1,115)		
Total Special Revenue Fund							(185,155)	-	324,929	(260,012)	1,553		(118,685)	-	-
Total U.S. Department of Education							(185,155)	-	324,929	(260,012)	1,553		(118,685)	-	-
Total Federal Financial Assistance							\$ (185,186)	-	324,960	(260,012)	1,553		(118,685)	-	-

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program State Department of Education:	Grant or State Project Number	Grant Period		Program or Award Amount	Balance at June 30, 2022					Repayment of Prior Years Balances	Adjustment	Balance at June 30, 2023			MEMO		
		From	To		Deferred Revenue (Accounts Receivable)	Due To Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures			(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
General Fund:																	
Special Education Aid	23-495-034-5120-089	07/01/2022	06/30/2023	\$ 171,955	\$ -				171,955	(171,955)						15,907	171,955
Transportation Aid	23-495-034-5120-014	07/01/2022	06/30/2023	30,330					30,330	(30,330)						3,035	30,330
Security Aid	23-495-034-5120-084	07/01/2022	06/30/2023	10,874					10,874	(10,874)						1,087	10,874
Securing our Children's Future Bond Act	N/A	07/01/2021	06/30/2022	20,000	(20,000)												
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)	23-495-034-5094-001	07/01/2022	06/30/2023	851,397					851,397	(851,397)							851,397
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	23-495-034-5094-002	07/01/2022	06/30/2023	223,660					223,660	(223,660)							223,660
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability	23-495-034-5094-004	07/01/2022	06/30/2023	419					419	(419)							419
Reimbursed TPAF Social Security Contributions	23-495-034-5095-003	07/01/2022	06/30/2023	226,782					215,349	(226,782)			(11,433)				226,782.00
Total General Fund					<u>(20,000)</u>				<u>1,503,984</u>	<u>(1,515,417)</u>			<u>(11,433)</u>			<u>20,029</u>	<u>1,515,417</u>
Total State Financial Assistance					<u>\$ (20,000)</u>				<u>1,503,984</u>	<u>(1,515,417)</u>			<u>(11,433)</u>			<u>20,029</u>	<u>1,515,417</u>
Less: State Financial Assistance Not Subject to Major Program Determination:																	
On-Behalf T.P.A.F. Pension Contributions - Post Retirement Medical (non-budgeted)										851,397							
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)										223,660							
On-Behalf T.P.A.F. Pension Contributions - Long Term Disability										419							
Total State Financial Assistance Subject to Major Program Determination										<u>\$ (439,941)</u>							

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this statement.

BOARD OF EDUCATION

K-5

MONMOUTH BEACH SCHOOL DISTRICT**NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE****JUNE 30, 2023****NOTE 1: GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Monmouth Beach School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund which are presented using the accrual basis of accounting. Programs recorded in the food service fund include the Special Milk Program. These bases of accounting are described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, c.97. (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as presented on the following page:

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>State Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,515,417		1,515,417
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized			
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	_____(568)	_____	_____(568)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,514,849</u>	=====	<u>1,514,849</u>

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<u>Federal Assistance</u>			
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	260,012	260,012
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>260,012</u>	<u>260,012</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with these amounts reported in the related federal and state financial reports.

NOTE 5: OTHER

TPAF Social Security Contributions represents the amount reimbursed by the State for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2023.

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Part I - Summary of Auditor's Results

Financial Statement Section

<u>Financial Statement Section</u>	<u>Description</u>
(A) Type of auditor's report issued on financial statements	Unmodified
 (B) Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ Yes <u> x </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> x </u> None Reported
Noncompliance material to basic financial statements noted?	_____ Yes <u> x </u> No

Federal Awards

NOT APPLICABLE

State Awards

Dollar threshold used to distinguish between type A and type B programs:	_____ \$750,000 _____
Auditee qualified as low-risk auditee?	<u> x </u> Yes _____ No
Type of auditor's report issued on compliance for major programs:	_____ Unmodified _____
 Internal Control over major programs:	
(1) Material Weakness(es) identified?	_____ Yes <u> x </u> No
(2) Reportable condition(s) identified that are not considered to material weaknesses?	_____ Yes <u> x </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04?	_____ Yes <u> x </u> No

Identification of major programs:

GMIS Number(s)

23-495-034-5120-089
23-495-034-5120-084
23-495-034-5095-002

Name of State Program

Special Education Aid (Public Cluster)
Security Aid (Public Cluster)
Reimbursed TPAF Social Security

MONMOUTH BEACH SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023***Part II - Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

MONMOUTH BEACH SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*Part III - Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

Current Year Federal Awards

Not Applicable

Current Year State Awards

Not Applicable

MONMOUTH BEACH SCHOOL DISTRICT**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2023

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

Status of Prior Year Findings

There were none.